2013
Montana Department of Revenue

Guidelines for Reproducing Substitute Scannable Tax Forms and Payment Vouchers

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★ *NEW for 2013 Tax Season* ★

➤ Incorporating Montana's official forms in your software is acceptable. However approval by the department must be granted. Throughout the document, requirements for using our official form are marked with an asterisk *.

➤ Primary & secondary software vendors must submit a registration form. The primary vendor must be approved before a secondary vendor can begin submitting forms. Section 2

➤ Approval of forms is required each year. Section 3

➤ To assist the department in quickly processing paper tax, we are requesting that your software prints the pages in a specific order. We understand if your software has limitations & approval will not be contingent on this request. Section 5.9

➤ Provide the date the page was last edited near the bottom right target. This is applicable to primary and secondary vendors, to help the department identify what version of the form they are viewing.   This will help us determine if a new error has been found or if it's an existing error that has been reported to the software vendor.   Section 5.10

➤ If you need to report additional information and do not have room on the main pages, we have provided specifications on how to report. This is applicable to 2, 2M, MW-3, DER-1, PR-1, CLT-4S, and FID-3. Section 5.12

➤ Pre-populated cents is no longer required. If a taxpayer is reporting zero, leave the field blank. Section 6.2

➤ Scanlines are no longer required on vouchers. Section 7

➤ Withholding payments can be filed on the same MW-1 form regardless of filing frequency. Section 7

➤ Do not provide draft or preliminary forms to customers prior to approval.   We find that taxpayers are submitting those forms to us which causes additional work for the department.

Change log

8/16/13	Draft
8/23/13	Sections 3.2, 5.10 & 5.12

1. Overview *

A **substitute** tax form is a computer generated tax form produced by a software developer or payroll provider for use, in lieu of the Montana Department of Revenue's official form.

It is acceptable to populate data on Montana's **official PDF** form. If you choose to incorporate our official form in your software package, approval by the department must be granted.

Software developers must comply with the required specifications within this document for each form to be considered approved for use. Do not provide draft or preliminary forms to customers prior to approval. We find that taxpayers are submitting those forms to us which causes additional work for the department.

2. Vendor Registration Requirements *

Prior to submitting forms for approval, please submit the MT Vendor Registration form.

A Vendor Registration form is required for primary and secondary vendors. A **primary** vendor is defined as vendor who is creating a substitute form. A **secondary** vendor is defined as a company that is not creating the form, but is using another company's form in their software package. This includes using Montana's official form in the software. Identify which forms you intend to include in your software.

If we have previously assigned a two digit Montana vendor ID, provide it on the registration so you can continue to use the same ID. If you are new or do not have a Montana Vendor ID from a previous year, leave the field blank and we will assign you one. This identification number will be used within the barcodes or near the bottom right target (depending on the document) to identify where the form has originated from. Further information about this subject is in section 5.10.

Send your registration via email to DORe-Services@mt.gov with the subject line of Vendor Registration & attach the form. You may also fax the registration to 406-444-1505 Attention E-Services.

We will reply within 1-2 business days with confirmation that we have received your registration and MT vendor ID. Once final forms are posted you may start submitting tests.

3. Approval Process *

Both primary and secondary vendors are required to submit test samples as defined in this section. For efficiency purposes, the primary vendor form must be approved before the secondary vendors can begin submitting test documents.

Forms are required to be approved each year.

You may submit each form as you develop it. There is no need to hold each test packet until all forms are developed.

3.1 Submitting Forms *

➤ Testing will not begin until final forms have been posted to our website.
➤ Photocopies, scanned or faxed submissions are not acceptable.
➤ Forms may be submitted to the MT DOR using PDF format via email (preferred method) or mail.

Email PDFs: *DORE-Services@mt.gov*

➡ Limit emails to one form type per email to assist us in organizing. Example: Form 2M vs. 2EZ vs. CLT vs. ECC

➡ Each test submission must include all pages of the form with the exception of instruction pages. All pages of the form should be included and in order. Example:
Full field form pg. 1-8, test 1 pg. 1-8, test 2 pg. 1-8, etc.

➡ The subject line of the email should include the company name (optional), MT Vendor ID or NACTP code (required) and the form name.

Mail hardcopy paper versions of forms to:
MT Department of Revenue
Attn: E-Services Forms Review
340 N Last Chance Gulch
Helena, MT 59601

➡ Include a cover sheet to separate each form type to be easily identified within each package.

➡ Use paperclips to separate forms and do not staple.   All pages of the form should be included and in order. Example: Full field form pg. 1-8, test 1 pg. 1-8, test 2 pg. 1-8, etc.

⭐ 3.2 Submission Requirements *

➤ All pages of the tax form must be included in the submission.
➤ If producing data on a non-barcoded form, approval is not required.
➤ Do NOT include completely blank forms in the test sample submissions. Some blank fields on full field data samples are acceptable.
➤ The following sample forms are required for each submission approval:

➡ <u>Individual Income Tax: Form 2, Form 2M, Form 2EC, Form 2EZ</u>
  ✓ One full field sample of all pages. Populate data fields with X's or 9's in every field.
  ✓ Five test variable data samples.
   ✦ Form 2 - One of the five variable data test samples must include 7 dependents. See section 5.12 for requirements for reporting additional dependents.
   ✦ Form 2M – One of the five variable data test samples must include 7 dependents. See section 5.12 for requirements for reporting additional dependents.

➡ <u>Pass Through: CLT-4S, PR-1, DER-1</u>
  ✓ One full field sample of all pages. Populate data fields with X's or 9's in every field
  ✓ Five test variable data samples.
   ✦ CLT-4S - One of the five variable data test samples must include a total of 35 shareholders. See section 5.12 requirements for reporting additional shareholders.
   ✦ PR-1 - One of the five variable data test samples must include a total of 35 partners. See section 5.12 requirements for reporting additional partners.
   ✦ DER-1 – One of the five variable data test samples must include 2 owners. If there are more than 2 owners, the entity should be filing a PR-1 or CLT-4S.

➡ <u>Corporate: CLT-4</u>
  ✓ One full field sample of all pages. Populate data fields with X's or 9's in every field
  ✓ Five test variable data samples.

➥ Fiduciary: FID-3
- ✓ One full field sample of all pages. Populate data fields with X's or 9's in every field
- ✓ Five test variable data samples.
    - ✦ FID-3 - One of the five variable data test samples must include a total of 35 beneficiaries. See section 5.12 requirements for reporting beneficiaries.

➥ Wage Withholding Tax Reconciliation: MW-3
- ✓ One full field sample of all pages. Populate data fields with X's or 9's in every field
- ✓ Five variable data test samples.
    - ✦ One of the five variable data test samples must include a total of 70 payments. See section 5.12 for more information.

➥ Schedule K-1 for CLT-4S/PR-1, Schedule K-1 for FID-3, ETM, MT-R PT-AGR, PT-STM
- ✓ One full field sample of all pages. Populate data fields with X's or 9's in every field
- ✓ Five test variable data samples.

➥ Vouchers – IT, SB, PR, CT, FID, DER, EXT-FID, EXT (IT)
- ✓ Five test variable data samples must be submitted for each voucher. (All fields must be filled in)

➥ Other barcoded forms: 2101, 2441-M, AEPC, AFCR, AMD, BBSC, CC, CLT-4-UT, DCAC, DS-1, ECC, ENRG –A, ENRG –B, ENRG –C, ESA, EST-1, ESW-FID, ESW-I, EXT-13, EXT-FID, FPC, FRM, ESA-FID, FTB, HI, IUFC, MHPE, MINE-CRED, MSA, NOL, NOL Pre 99, OSC, QEC, RCYL, TELC
- ✓ One full field sample of all pages. Populate data fields with X's or 9's in every field.
- ✓ Two test variable data samples.

➥ Non Barcode forms: CR-T, ESW-I, ESW-FID, ETR, EXPT, FPC-AF, FPC-PP, FPC-RD, GEN REG, INA-CT, MINE-CERT, NEXUS, RDF-CT, VT
- ✓ Test submissions are not required.

3.3 Process After a Form is Submitted for Approval *

The entire form packet will be reviewed for the following:
- ➤ Target placement
- ➤ Data placement
- ➤ Font type and size
- ➤ Barcode and spacing requirements
- ➤ How the forms will perform in our software system on a field by field basis. (This is why we require test data filled forms to be submitted).
    - ***** Note:** Spelling and grammar will not be reviewed by the MT DOR.

Once the form packet is reviewed, you will receive an email notification identifying whether or not the form is approved or rejected. If rejected, we'll explain how the form needs to be changed & resubmission will be required.

3.4 Resubmission Requirements *

Resubmissions follow the same requirements as initial submissions. See 3.2 Submission Requirements.

4. 1D Barcode Specifications

The MT DOR requires the following specifications for producing barcodes:
- ➤ 39 Format (3 of 9)
- ➤ Wide to narrow ratio of 3:1
- ➤ Barcode size must be 24 pt.
- ➤ The white area around barcodes must be at least ¼ inch on ALL sides of the barcode. If barcode is located on the bottom of the page, a ½ inch margin is required below barcode.
- ➤ Location has been identified on each form and page. See document for exact placement.
- ➤ Alpha characters must be upper case.
- ➤ If barcodes are unreadable after printing submitted PDF files, paper copies may be requested in lieu of PDFs.
- ➤ Reprint the barcode in Courier or Courier New font, 10 pt., below 1D barcode. This can be within the ¼ inch margin white space, but cannot be touching the 1D.

*13CC01XX

- ➤ The barcode should contain 10 characters as follows. Reference PDF documents for the specific barcode value for each form and page.

Digit placement	Description
1	Start = *
2 – 3	Year
4 – 5	Form ID (See barcode on document)
6 – 7	Page # (2 digits see barcode on document)
8 – 9	→If 01 is printed on the Final form, use 01 and print your MT Vendor Id near the bottom right target →If XX is printed on the Final form, replace the XX with your MT Vendor Id in the barcode Example shown below.
10	End = *

Do not edit barcodes ending in 01

13CV0101

Primary vendor creating substitute forms replace XX with your MT Vendor ID

13DX01XX

Further explanation in section 5.10

5. Formatting Requirements *

Due to the nature and requirements set forth by our scanning and data entry software, there are specific format requirements that are needed on all substitute tax forms. Failure to accommodate formatting and spacing requirements will result in a request for resubmission until resolved.

5.1 Targets

➤ Each page of barcoded forms must contain three targets as noted below:
  ➡ Square Shape, Size = 1p3 X 1p3
  ➡ Location (top-left or top-right, bottom-left, bottom-right). A total of three targets, of which two must be placed at the bottom (or in the middle). There are some examples where the two bottom targets are located mid-page. These are exceptions to the rule and may be moved to look like the official form. Location of each target is defined on the grid.
  ➡ Match the margins according to the final forms; some are 1/2 inch and some are 3/8 inch.
  ➡ Clearance of 1/2 inch is not always attainable around each target.

5.2 Grid & Spacing Between Entry Lines

➤ Grid:
  ➡ 6 x 10 character
  ➡ 6 rows per vertical inch (pica spacing)
  ➡ 10 characters or columns per horizontal inch (10-pitch spacing)
  ➡ All grids should be printed on 8 ½ x 11 paper. **When printing, make sure the "shrink to fit" option is not selected and page scaling is set to "none".**
  ➡ First vertical printable line: Row 4
  ➡ First horizontal printable line: Column 6
  ➡ Data fields must comply with the grid spaces allocated. We have provided each form with the grid overlay.
  ➡ Barcode must comply with the grid spaces allocated.
➤ Spacing:
  ➡ **Main tax forms and vouchers**: Fields and spacing are defined on the grid. See documents.
  ➡ **Other barcoded Forms**: Fields and spacing are defined on a 6x10 grid – coordinates are identified on the 2013 form documents. We only capture a few fields on each form. The remainder of the text and data fields on these documents will not be reviewed as we do not capture the data.
  ➡ **Non-barcoded Forms:** Must appear similar to the original form; be neatly organized and easy to read. Data is not captured from these forms, so they will not need to be submitted for approval.

5.3 Font Size *

➤ **Variable Data**: Font and size - Courier or Courier New, 12 or 10 pt. Upper case letters only.
➤ **Static Data** (form text): Discretion of developer, but must appear similar to original form, be neatly organized and easy to read. Recommended sizes are between 6-14 pt.
➤ Ensure that end-users cannot change font size of the data they enter on the forms.

5.4 Margin Requirements

There **must be a ½ inch margin on all sides of each page of each scanned form.** Substitute forms must be arranged in the same manner with the same spacing as the MT official forms.

5.5 Paper Size *

Reproduced or substitute forms must be the same size as the MT official forms and should be printed on 8 1/2 inch x 11 inch paper.

5.6 Grade & Color of Paper *

White, unlined paper. Recommended weight = 20 # (pound) paper.

5.7 Ink Color *

Variable data and text should be printed in black ink. Grayscale shading does not need to be replicated.

5.8 Shading & Unique Logos

Many areas of the original forms (other than variable data boxes) contain shading and unique logos. These do not need to be replicated.

5.9 Printing Requirements *

➢ Software must inform taxpayer to
   ➥   Send the originally printed form, not a photocopy, for processing.
   ➥   Black ink should be used and that their ink cartridge should be capable of producing a solid image.
➢ Printed forms from software should print as actual size. Print settings should have "Shrink to fit" and "No graphics" unchecked.   If possible set the print setting & do not allow user to change.
➢ Taxpayer should not be able to change font style or font size.
➢ Do not print instructional pages that are attached to supplemental forms.

To assist the department in quickly processing paper tax, print the documents in order as displayed on the next page. If your software has limitations & are not able to follow this request, please let us know.   Approval is not contingent on this request.

➤ Only print the yellow shaded documents, if they are applicable to the client.

Form 2
- Supplemental forms
- 2EC (if applicable)
- Schedules Pages 4-10
- Page 3
- Page 2
- Additional Dependents
- Page 1
- Voucher

2M
- Supplemental forms
- 2EC (if applicable)
- Page 4
- Page 3
- Page 2
- Additional Dependents
- Page 1
- Voucher

2EZ
- Page 1
- Voucher

2EC
- Page 1

MW-3
- Additional Page 2 info
- Page 2
- Page 1
- Voucher

FID-3
- Supplemental forms
- MT K-1 (s)
- Page 8
- Page 7
- Page 6
- Additional Page 5 info
- Page 5
- Page 4
- Page 3
- Page 2
- Page 1
- Voucher

CLT-4S and PR-1
- Supplemental forms
- MT K-1 (s)
- Page 7
- Additional Page 6 info
- Page 6
- Additional Page 5 info
- Page 5
- Page 4
- Page 3
- Page 2
- Page 1
- Voucher

CLT-4
- Supplemental forms
- Page 10
- Additional Page 9 info
- Page 9
- Additional Page 8 info
- Page 8
- Page 7
- Page 6
- Page 5
- Page 4
- Page 3
- Page 2
- Page 1
- Voucher

DER-1
- Supplemental forms
- Page 3
- Page 2
- Page 1
- Voucher

5.10 Vendor Identification *

The Vendor ID is provided to you at the time of registration. Use the Vendor ID on each page so we can identify the originator of the form.

⭐ All forms must have the Montana Vendor ID and the date.
- ➡ Preferred date format is MMDDYYYY, but other formats are acceptable & no approval is required.
- ➡ Print the Montana Vendor ID and date on all pages.
- ➡ It is preferred to only edit the date of a revised form on the particular page that was revised. If you can only edit the date across all pages, this is acceptable & no approval is required.
- ➡ Only edit the date, when revising barcode, data placement or targets. Editing static text does not require the date to be edited because it does not affect processing the return.

➤ Primary Vendors printing substitute forms:
- ➡ If a barcode ends with XX, replace the XX with your Montana Vendor ID.
  - ✓ If your forms are not used by secondary software vendors, print the date the page was last edited or published near the bottom right target.
  - ✓ If you do release your forms to secondary vendors, do not print the date. The secondary vendor is responsible.
- ➡ If a barcode ends with 01, replicate the barcode and do not edit. Print the vendor name, Montana Vendor ID and the date the page was last edited near the bottom right target.

➤ Secondary Vendors using Primary's substitute forms
- ➡ Print your MT Vendor ID near the bottom right target.
  - ✓ If the barcode ends with XX on the official form, the primary vendor will replace the XX with their MT Vendor ID.
  - ✓ If the barcode ends with 01 on the official form, the barcode will remain ending with 01 on your substitute form.

➤ Primary or secondary vendors using Montana's official forms.
- ➡ Print the vendor name, Montana Vendor ID and the date the page was lasted edited or published near the bottom right target.
- ➡ Do not edit the barcode.

5.11 Department Use Only Boxes

The dimensions, configuration, and placement of the "For Department Use Only" boxes on some forms must be the same as the MT official forms.

⭐ ## 5.12 Reporting Additional Information *

If the official forms do not provide enough space to encompass all data provided by the taxpayer, in some cases you may replicate that particular page as many times as needed or you may create a document as defined in this section.

➤ Individual Income Tax Forms 2 and 2M
  To report more than four dependents create a document.
- ➡ Column headers must be in this order:

- ✓ First Name
- ✓ Last Name
- ✓ Social Security Number
- ✓ Relationship
- ✓ Disabled Checkbox Indicator
➥ Include up to 15 lines per page
➥ Font size must be between 10 and 12 pt Courier or Courier New
➥ Do not include a barcode
➥ Sample

➤ Form FID-3
To report more than 10 beneficiaries you may repeat Schedule D page 5 or you may create a document and replicate it as many times as needed to encompass all beneficiaries. If you are creating a document for additional Schedule D, page 5 information:

➥ Column headers must follow the official Schedule D format.
➥ Only report 15 beneficiaries per page.
➥ Font size must be between 10 and 12 pt Courier or Courier New
➥ Print barcode *13DTR501* on the upper right corner. (Do not print targets)
➥ Sample

➤ Form PR-1
To report more than 7 partners for Schedule III page 5, you may repeat page 5 or create a document and replicate it as many times as needed to encompass all partners. If you are creating a document for additional Schedule III information:

➥ Column order must follow the official Schedule III format.
➥ Only report 12 partners per page
➥ Font size must be between 10 and 12 pt Courier or Courier New
➥ Print barcode *13DYR501* on the upper right corner. (Do not print targets)
➥ Sample

To report more than 10 participating partners for Schedule IV page 6, you may repeat page 6 or create a document and replicate it as many times as needed to encompass all information. If you are creating a document formatted the same as page 6:

➥ Column headers must include follow the official schedule IV format.
➥ Do not include more than 15 lines per page
➥ Font size must be 10 or greater Courier or courier new
➥ Do not include a barcode
➥ Sample

Form CLT-4S
To report more than 7 shareholders, you may repeat page 5, Schedule III or create a document and replicate it as many times as needed to encompass all shareholders. If you are creating a document for additional Schedule III information:

➥ Column order must follow the official Schedule III format.
➥ Only report 12 shareholders per page
➥ Font size must be between 10 and 12 pt Courier or Courier New

➡ Print barcode *13DXR501*on the upper right corner. (Do not print targets)

➡ Sample

To report more than 10 participating shareholders for Schedule IV page 6, you may repeat page 6 or create a document and replicate it as many times as needed to encompass all information. If you are creating a document formatted the same as page 6:

➡ Column headers must follow the official schedule IV format.

➡ Do not include more than 15 lines per page

➡ Font size must be 10 or greater Courier or courier new

➡ Do not include a barcode

➡ Sample

➤ Form DER-1

DER-1 forms should only report 2 owners on page 3. If the client is trying to report 3 or more owners, than they should be filing a PR-1 or CLT-4S return. Do not create a new document to report owners.

➤ Form MW-3

To report payments you may repeat page 2 or create a document formatted the same as page 2.

➡ Columns must be in this order:

✓ Column A – Deposit Period End Date

✓ Column B – Date Paid to MT DOR

✓ Column C – Montana Tax Withheld

✓ Column D – Montana Tax Paid

✓ Column E – Difference

➡ Only report 30 lines of payments per page.

➡ Font size must be between 10 and 12 pt courier or Courier new

➡ Print barcode *13EHR201*on the upper right corner. (Do not print targets)

➡ Sample

6. Form Line Entry Requirements *

6.1 Header – SSN/FEIN and Address Information Requirements *

➤ Use upper case letters in ALL fields that contain alphabetical entries. Do not use periods, commas or special characters.

➤ Do not include slashes or dashes for hyphenated last names.

➤ Replace SSN/FEIN slashes or dashes with a space. Do not mask or encrypt IDs.

➡ Example SSN format: 999 99 9999

➡ Example FEIN format: 99 9999999

➤ Zip codes can be just 5 digits, but if the extension is used, do not include a dash (may use space)

➡ Example: 12345 or 123456789 or 12345 6789

➤ Do not stack names on top of each other in one entry box.

6.2 Amount Entry Field Requirements *

➤ Do not use or allow commas in amount fields.
➤ If a dollar amount equals zero, leave field blank.
➤ Negative numbers should be designated using a dash - before the amount. Do not use parentheses or brackets for negative numbers.
➤ Do not replicate the % sign at the end of a percentage amount.
➤ Use whole numbers only. (Except on Form MW-3 and vouchers. See ***Additional Amount Entry Field Requirements below.)

➥ All amounts filled in on forms should be rounded to the nearest dollar (drop amounts under 50¢ and increase amounts that are 50¢ or more to the next dollar). For example, $203.39 becomes $203.00 and $203.59 becomes $204.00

➥ In dollar amount entries do not include a dollar symbol, a cent symbol, decimal or commas. For example, $2,033.00 becomes 2033 00

*** Additional Amount Entry Field Requirements

MW-3
➤ The dollar amounts on the MW-3 form should not be rounded.
➤ The formatting of numbers should not contain commas or decimals. See gridded document for examples.
Payment vouchers
➤ The dollar amounts on payment vouchers should not be rounded.
➤ Use a blank space to separate the dollars and cents.

6.3 Date Entry Formatting Requirements *

➤ All date entry formats must be MMDDYYYY.
➤ Correct Format: 01012013 or 01 01 2013
➤ Incorrect Format: 01/01/2013 or 01-01-2013

7. Voucher Tax Form Specifications *

➤ Scan lines are no longer required.
➤ There is only one MW-1 voucher this year. Filing frequencies for this voucher now include monthly, annually and accelerated.

7.1 Guidelines *

Vouchers submitted follow the same guidelines as all other bar-coded forms.
➤ Test Submissions - Section 3.1 and 3.2
➤ Approval Process – Section 3.3
➤ Barcode Specs – Section 4
➤ Formatting Requirements – Section 5
➤ Form Line Entry Requirements – Section 6
➤ Submissions must have – Barcode, targets, document header, text fields and data
➤ Cut line is located between rows 42 and 43.

Important:
➤ Do not print the due date in the period ending date field. This causes payments to stop for manual review.

➡ IT, CT, SB, PR, DER – annual filers use the last day of the year & fiscal filers use the last day of the fiscal year.

➡ MW-1 – accelerated filers use the payroll pay date, monthly filers use the last day of the month, annual filers use the last day of the year.

➤ Vouchers are not interchangeable between forms.

➡ MW-1 voucher corresponds with MW-3   ➡ SB voucher corresponds with form CLT-4S

➡ IT voucher corresponds with 2, 2M and 2EZ   ➡ PR voucher corresponds with form PR-1

➡ CT voucher corresponds with form CLT-4   ➡ DER voucher corresponds with form DER-1

7.2 Grid Coordinates & Layers

See voucher template for layout of each voucher.